

**Corporate Income Tax  
Affiliation Schedule**



***REQUIRED to be submitted with VT Form CO-411***

A. Principal Vermont Corporation	VT Business Account Number	Federal Employer Identification Number
Attn or c/o	VT Business Activity	
Street Address	Name of Contact Officer of Principal Vermont Corporation	
City, State, ZIP Code	Daytime Telephone Number	

For Sections B, C, and D, in the "Nexus" column please indicate with an "X" those members that have nexus with VT.

B. Other members included in the Water's Edge Combined Group. Please check off those members who have nexus with VT.		
Name of Business Organization	FEIN	Nexus
1.		<input type="checkbox"/>
2.		<input type="checkbox"/>
3.		<input type="checkbox"/>
4.		<input type="checkbox"/>
5.		<input type="checkbox"/>
6.		<input type="checkbox"/>
7.		<input type="checkbox"/>
8.		<input type="checkbox"/>

C. Name and federal employer identification numbers of the domestic affiliated business organizations who are excluded from the VT Water's Edge Combined Group as non-unitary members. Please check off those members who have nexus in VT.		
Name of Business Organization	FEIN	Nexus
1.		<input type="checkbox"/>
2.		<input type="checkbox"/>
3.		<input type="checkbox"/>
4.		<input type="checkbox"/>
5.		<input type="checkbox"/>
6.		<input type="checkbox"/>
7.		<input type="checkbox"/>
8.		<input type="checkbox"/>

D. Name, location, and federal employer identification number, if applicable, of the affiliates excluded from the group as qualified Overseas Business Organizations, as defined by Reg. 1.5862(d)-5. Please check off those members who have nexus in VT.		
Name and Location of Business Organization	FEIN	Nexus
1.		<input type="checkbox"/>
2.		<input type="checkbox"/>
3.		<input type="checkbox"/>
4.		<input type="checkbox"/>
5.		<input type="checkbox"/>
6.		<input type="checkbox"/>
7.		<input type="checkbox"/>
8.		<input type="checkbox"/>

## **Excerpts from VT Reg. §1.5862(d)**

### **Reg. §1.5862(d) - 10 Principal Vermont Corporation**

- (a) *Definition.* “Principal Vermont corporation” means a corporation that is the parent corporation unless the parent corporation is not subject to tax in Vermont . . . , or is not part of the unitary business or there is no parent, in which case it means the corporation that:
- (1) is included within the group;
  - (2) is subject to Vermont’s taxing jurisdiction; and
  - (3) has the greatest Vermont business activity during the first year that a combined return is required to be filed, as measured by the total of the Vermont factors, payroll, sales and property, for that year.

### **Reg. §1.5862(d) - 4 Composition of the Affiliated Group**

- (a) *Definition.* An affiliated group is a group of two or more corporations in which more than 50 percent of the voting stock of each member corporation is directly or indirectly owned by a common owner or owners, either corporate or noncorporate, or by one or more of the member corporations. An owner is any person as defined in 32 V.S.A. §5811(20).
- (b) *Excluded corporations.* An affiliated group shall exclude:
- (1) overseas business organizations; and
  - (2) corporations taxable under section 6014 of title 8 of the Vermont Statutes Annotated; and captive insurance corporations domiciled outside Vermont whose activities do not exceed those permitted under chapter 141 of title 8; and
  - (3) S corporations;
  - (4) Corporations that are not taxable under the Internal Revenue Code.

### **Reg. §1.5862(d) - 5 Overseas Business Organizations**

- (a) *Definition.* An overseas business organization is a business entity that ordinarily has 80% or more of its payroll and property located outside the United States. This definition of affiliated group adopts what is commonly referred to as a “water’s edge” group as opposed to a “worldwide combined” group. If a corporation meets the ownership test and is not excluded as an overseas business organization, an S corporation or a captive insurance company, as described in Reg. §1.5862(d) - 4(b), it is part of the affiliated group.

### **Reg. §1.5862(d) - 6 Unitary Business**

- (a) *Definition.* Unitary business means one or more related business organizations doing business both within and without the State where there is a unity of ownership, operation and use. It can also exist where there is interdependence in their functions. A determination under this regulation of whether an entity forms part of a unitary business with another is determined based on the facts and circumstances of each case. To the extent compatible with Vermont law, any legal or factual determination relevant to the existence or nonexistence of a unitary business will favor consistency with legal and factual determinations of other unitary states.

**NOTE:** Any potential unitary-combined filer should review VT Reg. 1.5862(d) in its entirety.